

**RECORD OF PROCEEDINGS OF THE GOVERNING BODY
CITY OF GARDNER, KANSAS**

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January 18, 2022

The City Council of the City of Gardner, Kansas met in regular session on January 18, 2022, at 7:00 p.m. in the Council Chambers at Gardner City Hall, 120 East Main Street, Gardner, Kansas, with Mayor Todd Winters presiding. Present were Councilmembers Mark Baldwin, Steve Shute, Kacy Deaton, Tory Roberts, and Erik Van Potter. City staff present were Deputy City Administrator Amy Nasta; Finance Director Matthew Wolff; Police Chief James Belcher; Utilities Director Gonz Garcia; Parks Director Jason Bruce; Public Works Director Kellen Headlee; Attorney Spencer Low; and City Clerk Sharon Rose. Others present included those listed on the sign-in sheet and others who did not sign in.

CALL TO ORDER

There being a quorum of Councilmembers present, Mayor Winters called the meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE

Mayor Winters led those present in the Pledge of Allegiance.

PRESENTATIONS

1. Gardner Land Bank Annual Report

Finance Director Matt Wolff said the land bank is required to provide an annual report to the Governing Body accounting for all receipts, disbursements, and property transactions. The land bank currently has no properties and there were no property transactions last year. The land bank received \$5,000 in initial funding from the General Fund in 2019. The Land Bank Fund earned \$47.21 in interest on idle funds in 2020 and \$4.72 in 2021. As of January 18, 2022, no funds have been spent. The land bank's financial records will be audited as part of the City's 2021 audit.

PUBLIC HEARINGS

1. Hold a public hearing to receive public comment on the results of the New Trails Multifamily, LLC (Treadway Apartments) Cost Benefit Analysis and granting of exemption from ad valorem taxes

Asdf ... Councilmember Shute made a motion to open a public hearing to receive public comment on the results of the New Trails Multifamily, LLC (Treadway Apartments) Cost Benefit Analysis and granting of exemption from ad valorem taxes.

Councilmember Deaton Seconded.

With all of the Councilmembers voting in favor of the motion, the motion carried.

Mayor Winters read into record a written public comment from Adrianna Meder, 32604 W. 171st Ct.:

Good evening. I am submitting public comment via email regarding New Business item #1 on the published agenda for the January 18th, 2022 Gardner City Council meeting. In the spirit of transparency, can a detailed discussion occur between staff and members of council to outline the specific benefits the tax paying Gardner citizen will receive if this resolution is adopted and passed? From my view of the numbers provided in the staff report published on the City's website, the ROI is negligible at best to citizens. Perhaps there are other numbers that staff will be sharing that was not a part of the published agenda on the City's website. To quote New Business Item #1 Agenda Item for specific reference herein: "Consider adopting a resolution determining the intent of the city to issue Industrial Revenue Bonds to pay the cost of acquiring the project site and constructing and equipping a multifamily apartment project". To quote New Business Item #1 Suggested Motion for specific reference herein: "Adopt Resolution No. 2099, a resolution declaring the intent of the City of Gardner, Kansas, to issue Industrial Revenue Bonds (taxable under federal law) in the principal amount not to exceed \$48,000,000 for the purpose of financing the acquisition, construction, and equipping of a multifamily apartment project within the city (New Trails Multifamily)". Some insight as to why the project is requested to be fully funded by city issued Industrial Revenue Bonds for multifamily residential development? Why are we seeing no movement on the much promised and anticipated commercial development? Look forward to the answers to questions that might be on other Gardner citizens' minds, yet they may be too afraid to ask the tough questions of our city leaders."

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Bond Counsel Tyler Ellsworth suggested keeping the hearing open for staff comments. Following that, Mr. Ellsworth will present the results of the cost benefit analysis.

Finance director Matt Wolff said this is a proposed multi-family project for 288 units on 25 acres. It's one component of a larger mixed-use development known as the Grata Project. The developer has requested \$48 Million in Industrial Revenue Bonds (IRBs) to be issued for acquiring the project site, constructing and equipping a multi-family apartment project. They are also requesting a sales tax exemption on construction materials and a property tax abatement of 75% for 10 years. This is a green field currently. The city will be adding to the housing stock, population and tax base.

Mr. Ellsworth continued, stating that the IRBs are not a debt to the city. They aren't paid from taxes of any kind. They are a financing structure that allows the developer the benefit of sales tax savings and property tax abatement. The city is not borrowing \$48 Million in debt. Kansas law requires the city to conduct a public hearing and have a cost-benefit analysis (CBA) prepared when property tax abatement is requested. The CBA looks at the ratio of the benefits of the project that are projected against the expected costs of the project. A ratio of 1.3 to 1 benefits to costs is considered a baseline. For each of the taxing jurisdictions, including the city, Johnson County, the school district, the fire district and the state, the benefits to costs ratio exceeds the 1.3:1 benchmark.

Councilmember Deaton made a motion to close the public hearing.

Councilmember Baldwin Seconded.

With all of the Councilmembers voting in favor of the motion, the motion carried.

PUBLIC COMMENTS

Dennis Watson, 670 S. Mulberry, congratulated the mayor and council members on their elections, and Mr. Van Potter on his appointment. He commended the rest of the council and city staff for the good job they do. He stated he is part of a prayer group that will continue to pray for the benefit of the city and council.

CONSENT AGENDA

- 1. Standing approval of the minutes as written for the regular meeting on January 3, 2022**
- 2. Standing approval of City expenditures prepared December 30, 2021 in the amount of \$579,206.20; December 30, 2021 in the amount of \$1,666.28; and January 7, 2022 in the amount of \$801,090.18**
- 3. Consider authorizing the purchase of four (4) Ford Police Interceptor Sport Utility Vehicles from Shawnee Mission Ford**
- 4. Consider authorizing the Vacation and Release of a Sanitary Sewer Easement in University Park Addition No. 2**

Councilmember Deaton made a motion to approve the Consent Agenda.

Councilmember Shute Seconded.

With all of the Councilmembers voting in favor of the motion, the motion carried.

PLANNING & ZONING CONSENT AGENDA

COMMITTEE RECOMMENDATIONS

OLD BUSINESS

- 1. Consider adopting an ordinance approving a franchise agreement with Evergy Metro, Inc.**

Attorney Spencer Low said the city needs to renew their agreements every few years. He worked with Evergy for the past year to update this. It doesn't serve a big portion of the city, so there isn't a city-wide impact. The basics

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have not changed, but they did change the franchise fee from 5% down to 3% to be consistent with the city's other franchise agreements.

Councilmember Van Potter asked if there is anything that will cause a substantial increase in energy rates. Attorney Low said there are no terms that would do that.

Mayor Winters noted it is a 20-year agreement and asked if that's standard. Attorney Low confirmed that is the standard length.

Councilmember Van Potter made a motion to adopt an ordinance granting Evergy Metro, Inc., an electric franchise to construct, maintain and operate all facilities necessary or proper for supplying consumers with electric energy, granting the right to use the right-of-way for said purpose, and prescribing the terms of and relating to such franchise.

Councilmember Deaton Seconded.

With all of the Councilmembers voting in favor of the motion, the Ordinance passed and was assigned Ordinance number 2723.

Deaton:	Yes
Roberts:	Yes
Shute:	Yes
Van Potter:	Yes
Baldwin:	Yes

NEW BUSINESS

1. Consider adopting a resolution determining the intent of the city to issue Industrial Revenue Bonds to pay the cost of acquiring the project site and constructing and equipping a multifamily apartment project

Finance Director Matt Wolff said this is the follow up to the public hearing. Staff recommend they adopt the resolution determining the intent for the city to issue industrial revenue bonds to pay the cost of acquiring the project site, constructing and equipping a multi-family apartment project within the city and to grant a property tax exemption and authorize the form of a PILOT agreement for the New Trails Multifamily Project, also known as Treadway Apartments or Grata.

Councilmember Deaton made a motion to adopt a resolution declaring the intent of the City of Gardner, Kansas, to issue Industrial Revenue Bonds (taxable under federal law) in the principal amount not to exceed \$48,000,000 for the purpose of financing the acquisition, construction, and equipping of a multifamily apartment project within the city (New Trails Multifamily).

Councilmember Shute Seconded.

With all of the Councilmembers voting in favor of the motion, the Resolution passed and was assigned Resolution number 2099.

Roberts:	Yes
Shute:	Yes
Van Potter:	Yes
Baldwin:	Yes
Deaton:	Yes

2. Consider adopting a resolution approving the execution and delivery of an agreement to release and assign the city's opioid claims to the Kansas Attorney General and certifying costs attributable to substance abuse and addiction mitigation in excess of \$500

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Attorney Spencer Low said there is a national class-action lawsuit against manufacturers marketing with opioid production and prescription. AS part of the class action, states are looking into ensuring there's enough money to come in to the state and distribute. Kansas passed a bill directing municipalities to attest whether they spent at least \$500 in combatting the opioid epidemic. This resolution does that and would go to the state for information to pass on to the class action team. There is no money yet, and they don't know how much the cities would get. Cities need to say they've spent at least \$500. That number has been surpassed with narcan officers carry, training, treating those suffering an overdose.

Councilmember Deaton asked if this class action is outside of the MDL formed in Ohio. Attorney Low wasn't familiar with the Ohio case. Deaton asked if the resolution was the city joining the class action, or indicating the city would be eligible. Low said it's an eligibility issue. The state would handle the class action and dividing the money between state municipalities. The city won't be directly involved in litigation. Deaton asked if it is just the state of Kansas or is it a larger class action. Low said it's a nationwide class action.

Councilmember Shute asked how many states are on this class action. Chief Belcher said 18. Shute asked Belcher what the police department has experienced. Belcher said it's not bad here, but is affecting the metro area and other agencies in the county. Most of the city's costs are associated with training and PPE.

Councilmember Shute made a motion to adopt a resolution of the City of Gardner, Kansas, approving the execution and delivery of an agreement to release and assign the city's opioid claims to the Kansas Attorney General and certifying costs attributable to substance abuse and addiction mitigation in excess of \$500.

Councilmember Deaton Seconded.

With all of the Councilmembers voting in favor of the motion, the Resolution passed and was assigned Resolution number 2100.

Shute:	Yes
Van Potter:	Yes
Baldwin:	Yes
Deaton:	Yes
Roberts:	Yes

3. Consider appointing Amy Nasta as Deputy City Clerk for the City of Gardner and administer the Oath of Office

Mayor Todd Winters said this is a housekeeping item. This will provide back up in case the city clerk is out. This will not impact finances in any way; it is a title only.

Councilmember Deaton asked if this will be added to the Deputy City Administrator job description. Deputy Administrator Nasta said it could be added, but under state statute, the appointment would still need to come before council.

Councilmember Shute made a motion to appoint Amy Nasta as City of Gardner Deputy City Clerk, effective January 18, 2022, and direct the City Clerk to administer the Oath of Office

Councilmember Deaton Seconded.

With all of the Councilmembers voting in favor of the motion, the motion carried.

City Clerk Rose administered the Oath of Office to Amy Nasta.

COUNCIL UPDATES

Director Headlee provided an update on the US 56 project. KDOT held a preconstruction meeting this morning. They plan to start mid-February, completion date mid-November. Staff is expecting more details on phasing next

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week. It was requested that the city have a public information meeting for residents. Once that's scheduled, staff will share information. Mayor Winters asked if everything goes well with weather, could the November completion date be moved up. Headlee said it will probably run the full time limit. Councilmember Shute asked about air show traffic and if the project is moving west to east. Headlee doesn't have that plan yet, but will make sure air show traffic is specifically addressed.

Councilmember Roberts said there is an opening on the Planning Commission. Now that council is seated, they should fill that. Applicants for city council said they would be interested for other committees. City Clerk Rose said the opening has been officially opened, and she will reach out to the city council applicants. Roberts thanked city staff for snow removal.

Councilmember Shute agreed with Roberts they need to fill the Planning Commission seat. He noted that soccer registrations are going to be open soon.

Mayor Winters said he had an email about snow removal around Cornerstone Park. It is an access path for Brittany Court residents. Can that be a higher priority? Director Bruce said staff are addressing issues, and adjusting priorities. This area will be moved to a Priority 1.

EXECUTIVE SESSION

ADJOURNMENT

There being no further business to come before the Council, on a motion duly made by Councilmember Deaton and seconded by Councilmember Baldwin the meeting adjourned at 7:33p.m.

City Clerk